

Operational Policy Letter #49

Department of Health & Human Services

Health Care Financing Administration

Medicare Managed Care

February 12, 1997

MEDICARE MANAGED CARE PLANS' BENEFITS AND COVERAGE OF CERTAIN SURGICAL INTERVENTIONS FOR TREATMENT OF BREAST CANCER

Question:

May a Medicare managed care plan require that enrollees obtain services related to certain surgical interventions (including mastectomy and/or lymph node dissections) for treatment of breast cancer on an outpatient basis or establish a maximum length of stay for treatment as a hospital inpatient?

Answer:

No. A managed care plan's coverage policies, disease management protocols, or utilization review criteria that impose such limits are not supported by the available medical evidence and do not take into account individual patient circumstances.

In OPL 96.046 (December 19, 1996), HCFA clarified that managed care plans must make decisions about the coverage of health care services pursuant to an objective, evidence-based process. We also made it clear that medical necessity decisions on the appropriate care for an individual patient must take into account the specific circumstances and needs of that individual. In addition, in OPL 96.044 (November 25, 1996), HCFA stated that a managed care plan may not restrict a physician in providing advice and counseling on what medically necessary treatment is most appropriate for an individual patient's condition or disease.

For Medicare beneficiaries, advanced age, increased risk of post-surgical complications, presence of significant comorbidity, impaired functional status, and lack of social support may put them at increased risk if this surgery is performed in an outpatient setting or with an insufficient hospital length of stay. The more extensive the surgical intervention (e.g., radical mastectomy), the more likely the patient is to be at increased risk from the procedure in the outpatient setting or from shortened lengths of stays. Given the current available evidence, it is not acceptable practice for managed care plans to adopt policies,

applied indiscriminately to all Medicare enrollees, mandating surgical interventions for treatment of breast cancer in an outpatient setting or setting a maximum length of stay as an inpatient.

In certain circumstances, with carefully selected patients, an outpatient setting or limited hospital stay may be appropriate. However, these practices may only be used when they have been determined to be appropriate by the patient and the patient's physician, after assessment of the patient's individual circumstances. Assuring the availability of all medically necessary covered benefits to Medicare enrollees will continue to be a focus of HCFA's routine oversight of contracting managed care organizations.

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